TRACT 35748 - St. Martin and St. Mary Parishes, Louisiana

All lands now or formerly constituting the beds and bottoms of water bodies of whatever description and nature owned by the State of Louisiana and located within the geographical boundaries of the Attakapas Island Wildlife Management Area and not presently under mineral lease by the State of Louisiana as of October 8, 2003, the area being set forth as follows: Beginning at the Southwest corner of State Lease No. 5706, as amended having Coordinates of X = 1,970,934.26 and Y = 435,671.74; thence West 1,834.26 feet to a point on the East boundary of State Lease No. 17838 having Coordinates of X = 1,969,100.00 and Y = 435,671.74; thence along the boundary of said State Lease No. 17838 the following courses: North 4,080.23 feet, North 38 degrees 53 minutes 35 seconds West 481.34 feet, North 33 degrees 46 minutes 55 seconds West 614.72 feet, North 38 degrees 32 minutes 25 seconds West 359.48 feet, North 41 degrees minutes 56 seconds West 277.54 feet, North 41 degrees 58 minutes seconds West 262.21 feet, North 33 degrees 40 minutes 12 seconds West 273.53 feet, North 38 degrees 56 minutes 24 seconds West 392.76 feet, North 32 degrees 33 minutes 33 seconds West 375.51 feet, North 36 degrees 02 minutes 27 seconds West 498.81 feet, North 32 degrees 25 minutes 30 seconds West 519.79 feet, North 31 degrees 04 minutes 44 seconds West 444.89 feet, North 39 degrees 29 minutes 06 seconds West 308.39 feet, North 35 degrees 38 minutes 24 seconds West 203.80 feet, North 35 degrees 44 minutes 37 seconds West 275.06 feet, North 38 degrees 00 minutes 02 seconds West 375.04 feet, and North 41 degrees 50 minutes 35 seconds West 532.55 feet to the Southeast corner of State Lease No. 17839 having Coordinates of X = 1,965,410.26 and Y = 444,714.89; thence North 858.22 feet on the East line of said State Lease No. 17839 to it's Northeast corner having Coordinates of X = 1,965,410.26 and Y = 445,573.11; thence North 426.89 feet to a point having Coordinates of X = 1,965,410.26 and Y= 446,000.00; thence East 15,979.74 feet to a point having Coordinates of X = 1,981,390.00 and Y = 446,000.00; thence South 5,576.26 feet to a point having Coordinates of X = 1,981,390.00 and Y = 440,423.74; thence West 500.00 feet to the Northeast corner of said State Lease No. 5706 having Coordinates of X = 1,980,890.00 and Y = 440,423.74; thence along the boundary of said State Lease No. 5706 the following courses: West 7,557.00 feet, South 1,200.00 feet, West 2,398.74 feet, and South 3,552.00 feet to the point of beginning, LESS AND EXCEPT any portion lying outside of the boundaries of the Attakapas Island Wildlife Management Area, containing approximately 2032.8 acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular

purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration modification, by the prior to such cancellation, Lessor abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The mineral lease is located in the Attakapas Island WMA under the jurisdiction of the Louisiana Department of Wildlife and Fisheries which has promulgated rules and regulations for the protection of game and wildlife on the aforesaid Tract and, therefore, shall be subject to said rules and regulations, a copy of which shall be attached to the mineral lease. In addition to the specific rules and regulations applicable, the following shall apply regarding operations under this mineral lease:

- 1. No activities will be allowed without written authorization of the Louisiana Department of Wildlife and Fisheries.
- 2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed project features including, but not limited to, access routes, spoil placement, well sites, flow lines and appurtenant structures may be required by the Department of Wildlife and Fisheries.
- 3. Compliance with the Attakapas WMA regulations will be required unless otherwise specified by the Department of Wildlife and Fisheries.
- 4. Compensatory mitigation will be required to offset unavoidable wetland impacts.
- 5. Removal of all structures, facilities and equipment will be required within 120 days of abandonment unless otherwise agreed to in writing by the Department of Wildlife and Fisheries.
- 6. No activities will be allowed during the hunting season unless authorized by the Department.
- 7. Prior to submitting applications for wetland permits to Federal and State permitting agencies, the lease holder shall coordinate project details with the Department of Wildlife and Fisheries. Contact person for the Department will be Mike Windham at (504) 568-5886.

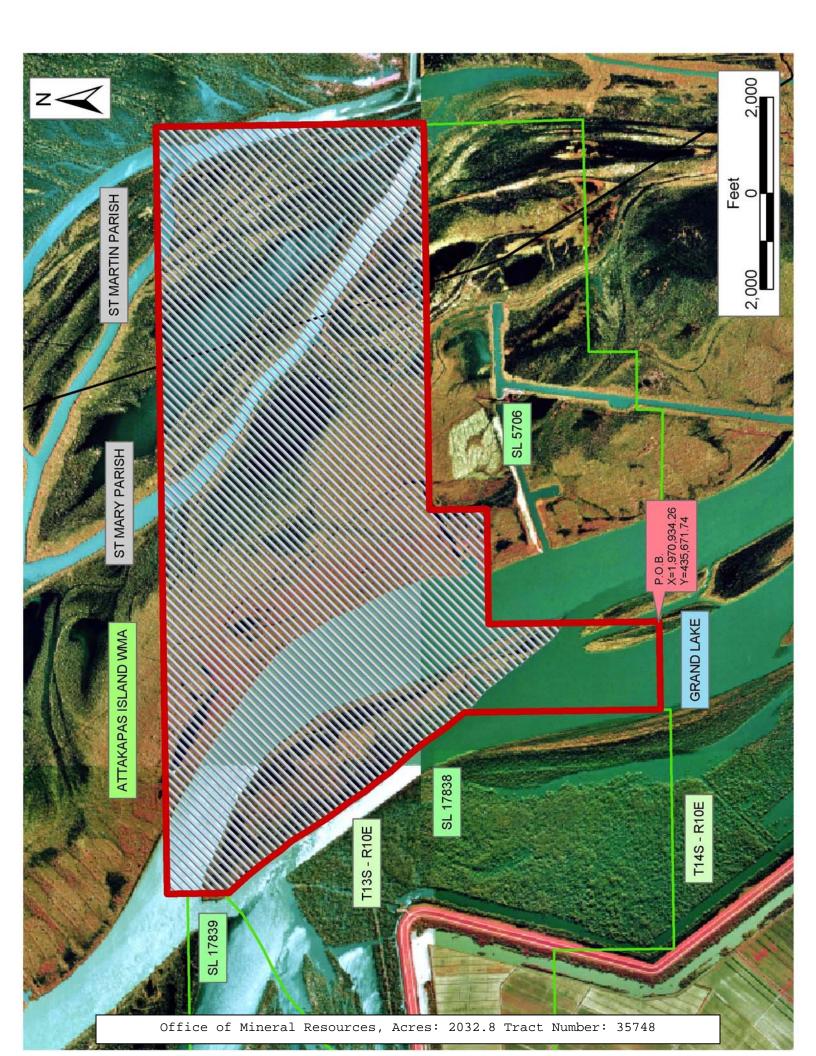
NOTE: The Department will require a minimum bonus of \$350.00 per acre and a minimum royalty of 25%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the

Department of Natural Resources, its Offices or Commissions, as herein above reserved.

Applicant: Pinnacle Resources, Inc.

Bidder	Cash	Price/	Rental	Oil	Gas	Other
	Payment	Acre				



TRACT 35749 - St. Martin and St. Mary Parishes, Louisiana

All lands now or formerly constituting the beds and bottoms of water bodies of whatever description and nature owned by the State of Louisiana and located within the geographical boundaries of the Attakapas Island Wildlife Management Area and not presently under mineral lease by the State of Louisiana as of October 8, 2003, the area being set forth as follows: Beginning at the Southwest corner of State Lease No. 5706, as amended having Coordinates of X = 1,970,934.26 and Y = 435,671.74; thence along the boundary of said State Lease No. 5706 the following courses: East 3,685.74 feet, North 792.00 feet, East 1,320.00 feet, North 1,320.00 feet, East 4,950.00 feet, and North 2,640.00 feet to its Northeast corner having Coordinates of X = 1,980,890.00 and Y = 440,423.74; thence East 500.00 feet to a point having Coordinates of X = 1,981,390.00 and Y =440,423.74; thence South 10,333.74 feet to a point having Coordinates of X = 1,981,390.00 and Y = 430,090.00; thence West 15,970.00 feet to a point having Coordinates of X = 1,965,420.00 and Y = 430,090.00; thence North 5,370.00 feet to a point on the South line of State Lease No. 17838 having Coordinates of X = 1,965,420.00 and Y = 435,460.00; thence along the boundary of said State Lease No. 17838 the following courses: East 3,680.00 feet and North 211.74 feet to a point having Coordinates of X = 1,969,100.00 and Y = 435,671.74; thence East 1,834.26 feet to the point of beginning, LESS AND EXCEPT any portion lying outside of the boundaries of the Attakapas Island Wildlife Management Area, containing approximately 1,065 acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration such modification, cancellation, paid by the Lessor prior to abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The mineral lease is located in the Attakapas Island WMA under the jurisdiction of the Louisiana Department of Wildlife and Fisheries which has promulgated rules and regulations for the protection of game and wildlife on the aforesaid Tract and, therefore, shall be subject to said rules and regulations, a copy of which shall be attached to the mineral

lease. In addition to the specific rules and regulations applicable, the following shall apply regarding operations under this mineral lease:

- 1. No activities will be allowed without written authorization of the Louisiana Department of Wildlife and Fisheries.
- 2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed project features including, but not limited to, access routes, spoil placement, well sites, flow lines and appurtenant structures may be required by the Department of Wildlife and Fisheries.
- 3. Compliance with the Attakapas WMA regulations will be required unless otherwise specified by the Department of Wildlife and Fisheries.
- 4. Compensatory mitigation will be required to offset unavoidable wetland impacts.
- 5. Removal of all structures, facilities and equipment will be required within 120 days of abandonment unless otherwise agreed to in writing by the Department of Wildlife and Fisheries.
- 6. No activities will be allowed during the hunting season unless authorized by the Department.
- 7. Prior to submitting applications for wetland permits to Federal and State permitting agencies, the lease holder shall coordinate project details with the Department of Wildlife and Fisheries. Contact person for the Department will be Mike Windham at (504) 568-5886.

NOTE: The Department will require a minimum bonus of \$350.00 per acre and a minimum royalty of 25%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its and Commissions, for the sole purpose implementing, of constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

Applicant: Pinnacle Resources, Inc.

Bidder	Cash	Price/	Rental	Oil	Gas	Other
	Payment	Acre				

